

Tiverton Wastewater District (TWWD)

Meeting held at the North Tiverton Fire District, Hilton Street, 5:30 PM

Annual Meeting & Board Meeting Minutes

June 15, 2015

Meeting Time: Annual Meeting was called to order by Chair Leroy Kendricks at 5:37 PM; LK called roll

TWWD Board present: Leroy Kendricks (LK); Paul Northrup (PN); Colleen Stanton (CS), *arrived late, at 5:46 PM*; Scott Humphrey (SH); Chris Nearpass (CN)

TWWD personnel: Lisa Andromalos (LA); Sarah Stearns (SS), Nan Godet (NG)

Guests: Diane Johnson (DJ), ASRWWA; Daniel Servant (DS), 19 Walnut St, SU-1389-00

Annual Meeting:

1. Appointment of Board Member, Paul Northrup (PN), by District voters. LK briefly reviewed PN's TWWD service.
 - a. LK entertained a motion to nominate PN to the Board. CN so moved; SH seconded. LK called for questions or discussion. DS asked the purpose of the nomination. LK responded that the Board has the power to nominate, but that only District property owners and residents, who are sewer customers, may vote. It was voted, unanimously, that PN be re-appointed for another 3 year term. LK thanked DS
2. Election of Officers: PN nominated LK as Chair; CN as Vice Chair; PN as Treasurer; CS as Recording Secretary; LK asked if there were any discussion. There being none, CN seconded; motion to elect the proposed slate passed unanimously. (*CS was not present for the vote*)
3. Adoption of Annual Budget (see appended): 2015/2016 Budget presented by PN/LA.
 - a. PN gave overview with LA expanding certain points. Discussion followed regarding specific line items; figures generally conservative. (*CS arrived at 5:46*)
 - i. Regarding sewer usage rates (new Fall River rate will be \$6.66 per HCF in July) CN commented that Fall River is really a budget pass-through
 - ii. AR collection; LA explained payment plans and tax lien process.
 - iii. Bond Counsel estimates; SH/LK suggested PN adjust to \$8K.
 - iv. Carmody annual fee; reflected under "computer supplies & service"
 - v. Legal fees: PN/LA reviewed. LK pointed out that if the sewer expansion were to be challenged, then would need to budget legal expenses; also, for Enabling Act and By-Laws, may need legal advice and counsel; LK suggested that we not decrease legal fees budgeted
 - vi. Insurance: cost reduced mostly because TWWD contracts out pump station service; and because the vehicle was sold.
 - vii. 91 days interest on Interim Loan. Discussion followed. PN: Based on borrowing \$4 million. LK asked PN when TWWD would have to take out the first loan; PN responded as soon as possible. SH asked how the engineering invoicing occurs; LK explained usual methods: lump-sum or progress billing
 - viii. SH asked how TWWD might carve back expenses and get more income. LA would be some increase in funds from CDBG; hope to get abutters in a year or so
 - ix. SH asked why not just show a deficit on the budget, and remove the unrestricted cash. LK/LA agreed budget should show the deficit, and PN should remove the unrestricted cash as a line item
 - x. LK asked about AECOM fees. PN said \$840K was based on design and permitting (by end of January 2015). LA said there might be some construction costs for abutters and CDBGs; interim loan would be for AECOM and construction costs for abutters and CDBG (SS commented that CDBG would be next year. Discussion followed about the meaning of "year"; construction year or fiscal year)
 - xi. LA suggested that the budget be adopted and amended later. More work on interim loan. PN said would have to sit down with banks. Discussion followed; SH asked if the loans were guaranteed (LK/PN said yes; and CDBG guarantees their loans)
 - xii. LA said that SS, LK, LA and TP to sit down and discuss timelines on July 16th. PN said that the banks would need a timeline, too
 - xiii. LK commented that the Tiverton Library had a construction manager for the new building; explained how that worked; takes the risk out of bidding; construction manager guarantees the GMP (guaranteed maximum price), and works with the architect during the design phase; SS commented that this process may be more fitting for vertical rather than horizontal construction

- xiv. LA asked if there were any other budget questions. PN asked about professional fees. LA explained the increase; discussion followed about the public education costs; there will be costs going forward regarding Bay St Work Group, etc. LK said that in the next fiscal year, there will be the other professionals for specific tasks; there will also be the abutters, Lepes St, Bay St, all of which will involve interaction with the public. SH asked about the PR contract. Discussion followed; LA said that some of the real value of PR was to be Devil's Advocate, so that the best message went out
- xv. CN asked about engineering services. LA explained pump station, etc, costs, and the difference between maintenance of sewer system and pump station service, maintenance having to do with infrastructure other than the pump stations
- xvi. SH commented that there was no depreciation in the budget, will need for the banks; PN said that depreciation will be in the balance sheet; LK commented that everything must be in order and beyond reproach. SH asked about asset list and a depreciation schedule. LA said the year-end recording must be added to Quick Books; the budget presented is a "cash flow" budget; suggested that PN/LA and SH get together to insure that budget meets general accounting practices
- xvii. SH asked about liens. Discussion followed
- xviii. LK called for any other discussion; PN will look at interest expense and depreciation; does USDA require a reserve? LA said that not need for this fiscal year; SS said reserve would be roughly \$10K
- xix. Action items: Remove unrestricted cash as line item (show deficit); Move Bond Counsel expense up to \$8K; and Address the 401K/457 issue with Quick Books (SH can to other payroll company)
- xx. LK asked for any other questions.

LK entertained a motion to accept the budget as presented, with the proviso that it required a few "tweaks". CN so moved; CS seconded. Brief discussion followed regarding "tweaks" (see above action items); motion passed unanimously.

- 4. LK asked for public comments or questions: DS suggested, regarding tie-ins, that TWWD choose one or two companies and not leave an open choice for customers; and said he would recommend establishing a guaranteed rate, as bidding can lead to cutting-corners. LK thanked DS for attending; for voting; and for his input. *(DJ and DS left at 6:39 PM)*

LK asked for a motion to adjourn the Annual Meeting. CN so moved; CS seconded; motion passed unanimously. Meeting was adjourned at 6:40 PM

June 15, 2015 Board of Directors Meeting, NTFD Water Department Office, 241 Hilton St. This part of the meeting was called to order at 6:43 PM

1. LK entertained a motion to accept the minutes of the May 27; so moved by SH; seconded by CS; motion carried unanimously.
2. Department Reports:
 - a) Treasurer's Report (see appended):
 - i) PN reviewed the report and figures. Ended the month of May with a balance of \$270K, which was \$88K better than projected; reviewed revenue and expenses. PN/LA talked about FR payment schedule. Discussion followed regarding the billing process.
 - ii) PN reviewed major variances
 - iii) USDA/PPG agreement: SS still following up, will try to get USDA people together to finish process
 - iv) Transfer of fixed assets: all records submitted to Town Administrator; must be signed by Town Council
 - v) LA explained CSSLP delay
 - vi) SS regarding fixed assets on Blackbird Ct. Documents submitted in the past may not have been recorded; documents could be re-written to name TWWD rather than Town, and then be recorded
 - vii) PN, regarding accounting review: PN signed a letter of intent with Carlucci & Dugan for financial review as of June 2015
 - b) General Manager's Report (see appended):
 - i) LA reviewed voting procedures and announced the "yes" votes from Riverside and Robert Gray Phase 1 Sewer Expansion. 60 out of 93 (65%) returned ballots in Riverside and 54 out of 62 (87%) returned in Robert Gray voted to approve
 - ii) Reviewed report:
 - (1) Reported on revenue, which fluctuates based on the billing cycle
 - (2) Aging Report: concerned about Bourne Mill. Discussion followed regarding possible action. LA to check with NTFD Water about BM status there. Discussion regarding Section 8. LA referred back to TWWD Shut-Off Policy, NG was asked to look back in minutes for the vote on policy. LA to make recommendation regarding shut-offs and liens, letters regarding payment plans.
 - (3) Customers not billed: Two customers were identified as not ever being billed; as a result, LA has met with one to come up with payment plan; Deb Godino (DG) was hired to go through JL's old physical files. DG/SS identified 5 customers who are on sewer but have never been billed. LA to send out letters. Discussion followed on properties on wells and metering wells; SS commented that the Code Office will not sign off on certificate of occupancy until TWWD has signed
 - c) Superintendent's Report (see appended):
 - i) CSSLP loans; we are aware of the process and things will go forward now that there is agreement with Town solicitor
 - ii) On-site activity:
 - (1) One tie-in this week.
 - (2) Regarding FR/Lake Ave, FR is still waiting for an easement; and Tiverton is requiring a construction bond;
 - (3) SS to follow up with Town Clerk regarding ownership issues at Country View Estates
 - iii) Villages at Mount Hope Bay: 60 new units over the next 4 years. Looking at collection of betterment fees, now that TWWD is no longer with the Town; fees were not collected in the past because the developers had an agreement with the Town. The Peregrine Group (the developers) have asked for a meeting between TWWD, the Town Administrator, and PG. LA suggested TWWD needs to put a policy in place regarding developers and betterment fees; SS suggested re-naming "inspection fee"
 - iv) Pump Stations (see appended): Reviewed report briefly (later in the Agenda under Tri-State Contract, see also appended)
 - (1) Mill St: SS to meet mini-excavator; CS commented that the water was working at the Mill St Pump Station at one time, CN agreed; SS to look into possible shut-off from Bourne Mill, or faulty meter (LA reported that JL said meter always had a 0 read)
 - (2) Schooner Drive: There is a leaning tree; CS has a chain saw; SS can do in the Fall
 - (3) Blackbird & Hurst: SS Would like to be able to meter before houses go in, so know what kind of an impact they make (on maintenance expenses, etc). The biggest expense is the Mission System (alarming system; notification after hours). SS there is a line item in the Inter-Municipal Agreement that they can tie-in at no cost to them, but also that TWWD can make an "equitable adjustment" after evaluating the flow; LK We will need to look at and talk to FR about how TWWD can be compensated for the extra wear and tear, and electrical costs
 - (4) SS asked if the Board would like to see more detail from SB (e.g., run-times, etc.); SS can send a reminder a week or so before the Board Meeting regarding any problems at pump stations
 - v) Design Projects: SS working through any outstanding issues USDA Engineer might have. PN: Regarding AECOM Master Contract, asked it be put on July Agenda; however, LK commented that LK/LA already given authority by the Board to negotiate rates

3. Old Business

- a) Appointment of Bond Counsel: PN spoke to Stonebridge and the Town Treasurer for recommendations; PN contacted three (3) possibles: Ellen Corneau, Moses Afonso & Ryan (who has worked with and is recommended by USDA); Adler Pollack & Sheehan (recommended by Town, but have not responded); and, Norman Benoit, Partridge Snow & Hahn (who responded immediately, and has worked for the Town). PN summarized responses and quotes
 - i) Ellen Corneau: \$350/hr; low estimate for three financings would be ~\$17K; high estimate ~\$23K
 - ii) Norman Benoit: \$440/hr, with flat-fee of \$12.5K per financing, for a total of \$37.5K for three financings
 - iii) Based on recommendations and cost, PN recommended Ellen Corneau

LK entertained a motion to appoint Ellen Corneau as Bond Counsel for Phase 1 (Riverside & Robert Gray Areas); CN so moved; SH seconded, after asking about timeline; PN said would have to be by the project. There being no further discussion, motion passed unanimously

4. New Business:

- a) Tri-State Contract Extension (see appended): LK asked how SB has been doing; SS/LA consensus that SB has been responsive and pro-active, fair with billing and time; SS has asked SB for a second rate of \$20/hr for unskilled work (e.g., painting, shoveling, clearing). Discussion followed regarding extension vs new multi-year contract (the latter being a possibility after this year). Additionally, TWWD may benefit by SB taking course on low-pressure systems.

LK asked for any questions; hearing none, LK asked for a motion to extend Tri-State's contract for a year. SH asked about general liability insurance; LA to confirm coverage. There being no further discussion, PN so moved (contingent upon current general liability certificate); CS seconded; motion passed unanimously.

- b) Vote Count Results: Positive vote from both areas; PN asked that the record reflect the actual returns: Riverside response was 60 "approved" out of 93 ballots returned (65%); Robert Gray, 54 "approved" out of 62 ballots returned (87%) SH suggested that voters be contacted and thanked for their support by mail, and that CH could draft (*no decision was taken*); SH asked for a copy of the press release to post on the EDC website

LK asked for a motion to adjourn at 7:43 PM; SH so moved; CN seconded; passed unanimously, following a quote read by LK, and LK thanking staff and Board for their work, and the residents who voted. Meeting adjourned.

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